

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

NATIONAL BROOM COMPANY OF	)	NO. CV S-04-1974 GEB PAN
CALIFORNIA, INC. DBA JLR GEAR,	)	
	)	
Plaintiff,	)	
	)	<u>ORDER</u> *
v.	)	
	)	
SOLAR WIDE INDUSTRIAL, LTD.,	)	
HUGHES SANONER, MICHAEL J.	)	
DOHERTY, PRINCESS INTERNATIONAL,	)	
INC., and JOSEPH FRIEDMAN,	)	
	)	
Defendants.	)	
_____	)	

Defendants Michael Doherty, Princess International, Inc. ("Princess") and Joseph Friedman ("Friedman") move, inter alia, to be dismissed as parties in this action, arguing this Court lacks personal jurisdiction over them.<sup>1</sup> JLR Gear opposes the motions.

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\* These motions were determined to be suitable for decision without oral argument. L.R. 78-230(h).

<sup>1</sup> Since the motion for dismissal for lack of personal jurisdiction will be granted, decision on the other motions filed on November 12 and 19, 2004, is unnecessary.

BACKGROUND

JLR Gear is a California corporation with its principal place of business in San Joaquin County, California. (Compl. ¶ 1.) Doherty is an attorney admitted to practice in New Jersey and New York, and before the United States Patent Office. (Doherty Decl. ¶ 2.) Princess is a New York corporation with its principal place of business in New York, and Friedman is Princess's President and a New York citizen. (Compl. ¶¶ 5, 17, 18.)

JLR Gear asserts claims against Doherty for intentional misrepresentation, negligent misrepresentation, conspiracy to interfere with livelihood, and negligence in the provision of legal advice, arising out of the allegation that Doherty, Solar Wide, and Sanoner fraudulently induced JLR Gear's Vice President, Jacob Rothman, to assign his patent rights to Solar Wide.<sup>2</sup> (Compl. ¶¶ 46-54, 90-105.) Specifically, JLR Gear alleges that Doherty made "oral assertions . . . that the [patent assignment] was merely a formality that would expedite the prosecution and registration of the patent, and that JLR Gear would continue to have the exclusive right to sell Smart Mugs for delivery into North America" (Compl. ¶ 49), and that Doherty failed to "use[] proper skill and care in drafting the Patent Assignment and advising plaintiff regarding the effect of the Patent Assignment." (Compl. ¶ 102).

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<sup>2</sup> "Where, as here, a plaintiff raises [more than one claim], the court must have in personam jurisdiction over the defendant with respect to each claim. However, if the court determines that there has been a sufficient showing of personal jurisdiction to reach trial with regard to one claim . . . it may or may not be appropriate to assume jurisdiction over the other claim under principals analogous to the doctrine of pendent jurisdiction." Data Disc, Inc. v. Systems Technology Associates, Inc., 557 F.2d 1280, 1289, n.8 (9th Cir. 1977) (citation omitted).

JLR Gear's claims against Friedman and Princess for inducing breach of contract and conspiracy to interfere with livelihood (Compl. ¶¶ 80-83, 90-97) arise out of an alleged agreement between JLR Gear and Defendant Solar Wide, whereby JLR Gear has the exclusive right to sell to North American retailers the electronic drinking mug for which Solar Wide obtained a patent on March 8, 2005. JLR Gear alleges that Princess and Friedman, "knowing of the contract between [JLR Gear] and Solar Wide, encouraged and persuaded Solar Wide that it would be to its advantage to breach its contract with [JLR Gear] and enter into a contract with [Princess and Friedman]." (Compl. ¶ 82.)

JLR Gear's claims against Princess for violation of § 43(a) of the Lanham Act, common law unfair competition, and common law trademark infringement (Compl. ¶¶ 106-135) arise out of JLR Gear's allegation that Princess is selling electronic drinking mugs that violate JLR Gear's trademark ownership of the name "Smart Mug" and the "steaming coffee mug" design. (Compl. ¶¶ 107, 116, 122, 131, 133.)

#### DISCUSSION

JLR Gear bears the burden of establishing personal jurisdiction over each movant. Ziegler v. Indian River County, 64 F.3d 470, 473 (9th Cir. 1995). "Personal jurisdiction . . . is an essential element of the jurisdiction of a district . . . court, without which the court is powerless to proceed to an adjudication." Ruhrgas AG v. Marathon Oil Co., 526 U.S. 574, 584 (1999) (internal quotation marks and citation omitted.) "Where a defendant challenges personal jurisdiction in a motion to dismiss, the plaintiff 'must make only a prima facie showing of jurisdictional facts . . . in order to avoid defendant's motion to dismiss.'" Lung v. Yachts Intern., LTD., 980 F. Supp. 1362, 1366 (D. Hawai'i 1997) (citing and quoting Data

1 Disc, Inc. v. Systems Tech. Assoc., 557 F.2d 1280, 1285 (9th Cir.  
 2 1977)). Personal jurisdiction for diversity cases is based upon the  
 3 "long arm" statute of the state in which the court sits. Terracom v.  
 4 Valley Nat. Bank, 49 F.3d 555, 559 (9th Cir. 1995). California's  
 5 long-arm statute provides jurisdiction "on any basis not inconsistent  
 6 with the Constitution of this state or of the United States." Cal.  
 7 Code Civ. Proc. § 410.10. "Due process requires that nonresident  
 8 defendants have certain minimum contacts with the forum state, so that  
 9 exercise of personal jurisdiction does not offend traditional notions  
 10 of fair play and substantial justice." Doe v. American Nat. Red  
 11 Cross, 112 F.3d 1048, 1051 (9th Cir. 1997) (citing Int'l Shoe Co. v.  
 12 Washington, 326 U.S. 310, 316 (1945)). "A court's exercise of  
 13 personal jurisdiction over a nonresident defendant may be either  
 14 general or specific. 'If a defendant's activities in the state are  
 15 "substantial" or "continuous and systematic," general jurisdiction may  
 16 be asserted even if the cause of action is unrelated to those  
 17 activities.'" Id. at 1050. The propriety of an assertion of specific  
 18 jurisdiction "depend[s] on the quality and nature of the defendant's  
 19 contacts with the forum state in relation to the cause of action."  
 20 Lake v. Lake, 817 F.2d 1416, 1421 (9th Cir. 1987).

## 21 **Personal Jurisdiction over Doherty**

### 22 **A. General Jurisdiction**<sup>3</sup>

23 Doherty argues his contacts with California are fleeting and  
 24 sporadic. Specifically, he asserts that he is a New Jersey lawyer who  
 25 is an associate with a New Jersey law firm which does not solicit or  
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27 <sup>3</sup> Since it is unclear whether JLR Gear is asserting general  
 28 and/or specific jurisdiction over JLR Gear, JLR Gear's arguments will  
 be considered under both doctrines.

1 advertise for business in California. Doherty declares he can "recall  
2 working on only two matters involving California companies or  
3 California offices of large corporations. The work was related to  
4 filing patent applications, and in no related to analysis and  
5 application of California law." (Doherty Decl. at ¶ 9.) JLR Gear  
6 counters that Doherty does practice law in California by representing  
7 California residents on federal patent law.

8 JLR Gear next argues that Doherty actively solicited  
9 business in California by sending Jacob Rothman an engagement  
10 correspondence in California. JLR Gear also contends that Doherty and  
11 his law firm solicit clients from California by maintenance of a web  
12 site accessible by residents of California. Further, JLR Gear asserts  
13 through argument and the declaration of its Vice-President, Jacob  
14 Rothman, that Rothman spoke to Doherty on the phone and was confident  
15 that Doherty had been hired to prosecute the patent application for  
16 the Smart Mug in the names of both Mr. Sanoner and Rothman.

17 JLR Gear appears to contend that Doherty's representation of  
18 California residents with respect to federal patent law is sufficient  
19 support for JLR Gear's contention that general jurisdiction may be  
20 exercised over Doherty. However, "[t]he mere existence of an  
21 attorney-client relationship, unaccompanied by other sufficient  
22 contacts with the forum, does not confer personal jurisdiction over  
23 the non-resident in the forum state; more is required.'" Pyle v.  
24 Hatley, 239 F. Supp. 2d 970, 980 (C.D. Cal. 2002) (quoting Sawtelle v.  
25 Farrell, 70 F.3d 1381, 1392 (1st Cir. 1995)). Doherty counters,  
26 declaring that since he has become a licensed attorney in New Jersey,  
27 and admitted to practice before the United States Patent Office, he  
28 has worked almost exclusively in New Jersey. (Doherty Decl. at ¶ 3.)

1 He declares he did not solicit or advertise for business in  
2 California. He further declares that he never received a signed  
3 Retainer Agreement from Rothman, nor a retainer fee. (Id. at ¶ 13.)  
4 Further, Doherty's Declaration indicates that all of his  
5 correspondence with Rothman and communication with him on the  
6 telephone occurred when Doherty was located in New Jersey. JLR Gear  
7 has not alleged that Doherty's representation of California residents  
8 involved more than just patents which are prosecuted outside  
9 California, and Doherty's Declaration indicates that his only  
10 connection to JLR Gear's claims arises out of Doherty's patent  
11 practice. See Austad Co. v. Pennie & Edmonds, 823 F.2d 223, 226-27  
12 (8th Cir. 1987) (holding that a law firm whose "only 'substantial  
13 connection' with South Dakota was its representation of a South Dakota  
14 corporation in connection with litigation taking place wholly outside  
15 South Dakota" did not "purposefully avail[] itself of the benefits and  
16 protections of the laws of South Dakota."). JLR Gear argues that  
17 Doherty actively solicited patent business in California when he sent  
18 Rothman correspondence concerning a patent application. However,  
19 sending this correspondence to a California resident does not  
20 constitute "continuous and systematic" or "substantial" contacts with  
21 California.

22 JLR Gear also argues that web site evidence supports its  
23 contention that jurisdiction can be exercised over Doherty. JLR Gear  
24 supports this argument with the following excerpt from Doherty's law  
25 firm's web site, and alleges the evidence is indicative of the firm's  
26 marketing to potential patent clients in all states:

27 We prosecute patents for our clients to  
28 build patent portfolios with business  
value. We also study the validity and  
scope of patents owned by others, and

1           advise our clients about their right to  
2           use new products and methods. [¶] Our  
3           firm's activities in this area extend  
4           throughout the world. We place emphasis  
5           on comprehensive coordination of  
6           worldwide patent filings in order to  
7           ensure that our clients obtain the  
8           broadest patent protection at the lowest  
9           possible price. Our work in the area of  
10          multicontinent licensing ventures has  
11          been highly rewarding to our national  
12          and international clients alike.

13           (Response to Mot. to Dismiss at 6-7 (emphasis omitted).)

14           Doherty counters that the existence of this web site, which  
15           is accessible by residents of California, is not, by itself, a  
16           sufficient basis for exercising personal jurisdiction over him. Since  
17           JLR Gear does not allege that this web site is an "interactive web  
18           site," its mere existence does not support JLR Gear's position. See  
19           Cybersell Inc. v. Cybersell, Inc., 130 F.3d 414, 418-19 (9th Cir.  
20           1997) (where the Ninth Circuit held that simply placing a passive web  
21           site in cyberspace alone is insufficient to subject the advertiser to  
22           personal jurisdiction).

23           JLR Gear argues that Doherty's representation of Jacob  
24           Rothman is sufficient to confer personal jurisdiction over Doherty in  
25           California. Doherty counters that even assuming arguendo that JLR  
26           Gear could establish that an attorney/client relationship existed  
27           between Doherty and Jacob Rothman, Doherty's contacts with California  
28           are still insufficient for personal jurisdiction purposes.

29           Jacob Rothman was referred to Doherty's law firm by  
30           Defendant Sanoner, a Hong Kong resident, who was an existing client of  
31           Doherty's firm. JLR Gear does not dispute Doherty's declaration that  
32           he and Jacob Rothman had less than five telephone conversations.

33           (Response to Doherty Mot. to Dismiss at 4.) Further, Doherty sent

only eight pieces of correspondence to Jacob Rothman, four of which were quadruplicate requests for Jacob Rothman to execute a co-inventor's declaration and/or patent assignment. (Doherty Decl. ¶¶ 12, 15; Exhibits A-H to Doherty Decl.) Finally, although JLR Gear alleges that it paid Solar Wide for fifty percent of Doherty's fees, Doherty did not send any bills to Jacob Rothman or JLR Gear and Doherty did not receive payment from Jacob Rothman or JLR Gear; he only received payment from Solar Wide. (Doherty Decl. ¶ 18.)

In conclusion, the foregoing discussion reveals that JLR Gear has not made a prima facie showing that general jurisdiction can be exercised over Doherty. See Austad Co. v. Pennie & Edmonds, 823 F.2d 223, 226 (8th Cir. 1987)

#### B. Specific Jurisdiction

Doherty also indicates that the allegations in the complaint are insufficient to justify exercising specific jurisdiction over him. The Ninth Circuit applies the following three-part test to determine whether there is specific jurisdiction:

- (1) The nonresident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws[;]
- (2) [t]he claim must be one which arises out of or results from the defendant's forum-related activities [; and]
- (3) [e]xercise of jurisdiction must be reasonable.

Doe v. American Nat. Red Cross, 112 F.3d 1048, 1050-51 (9th Cir. 1997) (citation omitted).

[P]urposeful availment is satisfied even by a defendant whose only contact with the forum state is the purposeful direction of a foreign act having effect



1 in the forum state. . . . [T]he effects  
2 test requires that the defendant  
3 allegedly have (1) committed an  
4 intentional act, (2) expressly aimed at  
the forum state, (3) causing harm that  
the defendant knows is likely to be  
suffered in the forum state.

5 Dole Foods Co. v. Watts, 303 F.3d 1104, 1111 (9th Cir. 2002) (internal  
6 quotation marks and citations omitted).

7 JLR Gear argues that Doherty purposefully availed himself of  
8 the privileges of conducting business in California since his law firm  
9 has a web site accessible by California residents. However, JLR Gear  
10 has not alleged that Doherty's law firm's web site had more than a  
11 passive nature. Cybersell, 130 F.3d at 420.

12 JLR Gear next argues that the purposeful availment prong is  
13 satisfied since Doherty practices federal patent law "so it is not at  
14 all coincidental that the client is located in a different forum from  
15 [Doherty's] primary office." (Response to Mot. to Dismiss at 8-9.)  
16 Doherty asserts that JLR Gear appears to be arguing that since his  
17 practice is based on federal patent law, he is subject to jurisdiction  
18 in all fifty states. Finally, JLR Gear argues that the purposeful  
19 availment prong is satisfied because Doherty represented Jacob Rothman  
20 in the patent application process giving rise to this litigation.

21 But JLR Gear does not allege a sufficient nexus between any  
22 intentional act committed by Doherty and the alleged harm JLR Gear  
23 suffered in California. Even if an attorney-client relationship  
24 existed between Doherty and Rothman, JLR Gear has not shown that  
25 Doherty had sufficient contacts with California to make him subject to  
26 suit in California. The contacts on which JLR Gear relies do not  
27 manifest that Doherty purposefully availed himself of the privilege of  
28 conducting business in California. Since JLR Gear failed to satisfy

1 the first prong of the three-part test for specific jurisdiction, the  
2 balance of the test need not be analyzed. Hence, JLR Gear has not met  
3 its prima facie burden of showing that specific jurisdiction can be  
4 exercised over Doherty.

5 Therefore, JLR Gear's claims against Doherty are dismissed  
6 without prejudice for lack of personal jurisdiction.

7 **Personal Jurisdiction over Princess and/or Friedman**

8 JLR Gear argues that Princess and Friedman purposefully  
9 availed themselves of the privilege of doing business in California by  
10 maintaining a web site directed at customers in every state of the  
11 United States in which Smart Mugs are offered for sale, making sales  
12 within California, and contracting with JLR Gear in California on  
13 several occasions for the purchase of Smart Mugs for resale. (JLR  
14 Gear's Response to Defs.' Mem. of P. & A. at 5.) Even assuming,  
15 arguendo, that Princess and/or Friedman have purposefully conducted  
16 business in California, before personal jurisdiction can be exercised  
17 over these Defendants, JLR Gear must make a prima facie showing that  
18 its claims against them arise out of their forum-related activities.  
19 The "'but for' test [is used] for determining whether a plaintiff's  
20 injury arises out of a defendant's forum-related activities." Doe v.  
21 American Nat. Red Cross, 112 F.3d at 1051. JLR Gear has not  
22 sufficiently alleged that its claims against Friedman and Princess  
23 arise out of contacts either of these Defendants had in California, or  
24 that anything occurred in California which gives rise to these claims.

25 JLR Gear also alleges against Princess trademark  
26 infringement claims under common law and the Lanham Act, and a variety  
27 of claims under California law arising out of Princess's sale of what  
28 JLR Gear characterizes as a Smart Mug product. However, it is not

1 alleged that Princess sold this product in California. JLR Gear's  
2 reliance on Princess's web site to establish such sales is unavailing,  
3 since JLR Gear has not alleged that such sales occurred in California.

4 JLR Gear does appear to allege that Princess's customers  
5 might be re-selling this product in California. (See JLR Gear's  
6 Response to Princess and Friedman's Motion to Dismiss at 4 ("Without  
7 some discovery it will be impossible to determine how many of the  
8 infringing items are re-sold by Princess International's customers to  
9 consumers in California")). Friedman declares that "Princess sells  
10 gifts and electronic gadgets . . . . [I]t sells to mail order  
11 companies, retailers, specialty shops, and other companies. . . .  
12 [O]ver 99% of the companies with whom Princess regularly does business  
13 are located outside of California." (Friedman Decl. ¶ 4.) See Amba  
14 Marketing Systems, Inc. v. Jobar International, Inc., 551 F.2d 784,  
15 787 (9th Cir. 1977) (denying specific jurisdiction even though  
16 plaintiff alleged infringing products were sold in Arizona or to  
17 Arizona customers by either defendant or the California mail order  
18 houses to which defendant sold since plaintiff did not come forward  
19 with facts to controvert defendant's evidentiary showing). Thus, the  
20 issue is whether JLR Gear's allegations are sufficient to establish a  
21 prima facie showing that Princess engaged in some activity  
22 purposefully aimed toward California and that JLR Gear's claims are  
23 directly from that activity. JLR Gear has not linked Princess's  
24 contacts with California with its claims against Princess in the  
25 instant litigation. Although JLR Gear seeks to have inferred that  
26 whatever contact Princess has had with California suffices to  
27 establish jurisdiction with respect to its claims against Princess,  
28 factual disputes exist on whether that contact is sufficient to

1 sustain JLR Gear's burden of proof on this question. "Instead of  
2 'resolving' the factual disputes, [this] matter may be determined by  
3 reference to the burden of proof which [is] placed upon [JLR Gear]."  
4 Data Disc, Inc., 557 F.2d at 1285. Since JLR Gear did not show that  
5 its claims against Princess and/or Friedman arise out of their forum-  
6 related activities, if any, the claims against Princess and Friedman  
7 are dismissed without prejudice for lack of personal jurisdiction.

8 CONCLUSION

9 In conclusion, the motions of Doherty, Friedman, and  
10 Princess to be dismissed as parties for lack of personal jurisdiction  
11 are granted.

12 IT IS SO ORDERED.

13 Dated: May 9, 2005

14  
15 /s/ Garland E. Burrell, Jr.  
16 GARLAND E. BURRELL, JR.  
17 United States District Judge  
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